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Ontario Department of Education

THE PENNY BANK

IN THE

SCHOOLS OF ONTARIO

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1914

THE PENNY BANK IN THE SCHOOLS

The Minister of Education is impressed with the importance of the encouragement of thrift amongst school children and has had under consideration the practical assistance given in this direction by The Penny Bank of Toronto.

To teach a child how to economize slender resources, how to resist temptation to needless expense, and how to make reasonable provision for the future, is an important part of its education. Such knowledge cannot be acquired too early in life, and much may be done in a school to render its acquisition easy to children and to show them the advantages of economy and foresight. Economy is, however, a habit, and is to be acquired by practising it, rather than by listening to demonstrations of its importance. The child who is helped to deny himself some trifling personal gratification, who is encouraged to save by degrees a few dollars, and who finds this sum available for his own needs, or perhaps for helping his parents at a time of family misfortune, has received a practical lesson in the advantages of economy and foresight which may make a lasting impression upon him. The value of such a lesson will not be confined to its influence on the scholar's own character and welfare: It will exercise a reflex influence on the members of the household to which he belongs providing them with a practical lesson of lasting value. It will tend to encourage the parents to start Savings Bank accounts themselves, or to assist their children's.

Penny Banks have been established in connection with the schools of most European countries, particularly in the Austrian Schools and in those of France and Belgium. The system has there shown a steady growth during the past thirty years. In England and Scotland the same success has attended the establishment of School Banks wherever zealous and systematic efforts have been made toward the encouragement of saving.

The Dominion Penny Bank Act (R.S.C. 1906, Ch: 31) under which The Penny Bank of Toronto was incorporated stipulates that the deposits of the school children are to be placed with the Receiver-General at Ottawa, thus extending to such deposits the highest possible guarantee. The Act also provides for the establishment of a Guarantee Fund, which must be maintained up to at least $10,000.00; but it permits no Share Capital, nor any payment of dividends. No subscriber to the funds of the Bank, or to the Guarantee Fund, may receive any return in respect of such subscription. The Act also stipulates that no Director of The Penny Bank shall be entitled to receive any fees for services rendered as a Director. In short, the Bank is not a money-making or commercial concern and may make no payments other than those to its depositors except for actual running expenses. School Boards are authorized under an Ontario Act (8 Edw. VII, Ch: 33, Sec. 55) to pay for the necessary supplies of stationery.

The first annual report of The Penny Bank of Toronto, dated the 30th of June, 1906, showed operations in 44 schools in 2 centres from which the deposits amounted to $50,401.19. The last report, dated the 30th of June, 1913, showed that the Bank was operating in 222 schools in 31 centres including such places as London, Galt, Barrie, Oshawa, Ottawa and Belleville, with total school deposits amounting to $236,681.68. This excellent showing has not been attained without zealous effort and persistent enthusiasm not only by those philanthropic gentlemen who organized the institution and gave liberally of their time and their money, but also by the school teachers who have given their services and communicated their enthusiasm to the children and by the clerks and managers of the Chartered Banks who have always been ready to serve this truly National Institution.

The Minister desires to express the thanks of the Province to all these voluntary workers for future good citizenship, and particularly his appreciation of the devotion shown by the teachers in those schools where The Penny Bank has been in successful operation. He also desires to call the attention of other School Boards and other School Principals to this Penny Bank System, the details of which may be obtained by application to the Head Office of The Penny Bank, York and Richmond Streets, Toronto. In doing so, however, he wishes to point out that it is not enough merely to establish the system in a school. There must be loyal co-operation and persistent sympathy upon the part of the teachers in order to produce the desired result upon the scholars. If the children feel that the teacher is not in sympathy with the Bank, some few may take the opportunity to exercise a natural thriftiness, but the Bank will fail in its effort to encourage thrift amongst the unthrifty. In short, thrift needs to be encouraged as steadily and persistently as good manners or as any other desirable habit.

The Minister feels no hesitation in making this recommendation to School Boards and Principals, because he is certain that the more general adoption of such a plan will increase the usefulness of the School as an instrument for the formation of character, and because he has every reason to believe that the keen interest which has been shown in the past by all concerned will continue and spread in the future.

Toronto, March 30, 1914.

The Penny Bank

A philanthropic institution for the development of thrift among Canadian school children, depending on the united voluntary services of school teachers and of the chartered banks.

The Working of the System.

1. The Class-room.

On Monday morning in each class, during a period when the children are at work from the blackboard, those who wish to make deposits are called up in the order of their names in the Cash Book. One at a time, each child presents his Pass Book and his money—the latter going into a special tray. After the child has seen the teacher enter the amount of his deposit opposite his name in the Cash Book as well as in his Pass Book and date and initial the latter, he passes on to his desk and to his work.

When the last child has sat down again the teacher counts the cash and puts it in her class money bag, entering the amount upon the tag and sending bag and Cash Book to the Principal's office.

New Deposits.

When a child makes his first deposit, the teacher sends to the Principal for an index card and a Pass Book bearing the same number. It is essential that the index card which identifies the child should be numbered to agree with his own Pass Book.

Notice of Withdrawal.

Notice must be given by any depositor wishing to withdraw more than a dollar. The proper form will be supplied and initialled by the teacher.

Lost Pass Books.

Lost Pass Books must be reported at once to the teacher who will fill out the proper form and give the counterfoil to the child. Index cards for new accounts, withdrawal notices and lost pass book forms should all go with the Cash Book and money bag to the Principal's office.

On the last banking day of each month every child should produce his Pass Book so that the teacher may enter the balance in the Cash Book under the heading "Balance as it appears in Pass Book." Teachers should also make and enter in the Cash Book the cross additions of the individual deposits shewn therein and see that the total for the month agrees with the sum of the weekly totals, in order to discover errors which might otherwise get into the Ledger.

2. The Principal's Office.

Before the first banking Monday of a school term, the Principal may select two boys or two girls, who volunteer to act, and who in his judgment can afford to give up a lesson period each Monday for the sake of acquiring skill in handling cash and obtaining a little practice in business methods. These two pupils, under the Principal's supervision, can do the following work:

After all the returns from the various class-rooms have reached the Principal's office, count the cash in each bag and verify the total as entered upon the tag and in the corresponding Cash Book—any error being reported to the teacher concerned before the classes have dispersed. Prepare the Principal's Summary in duplicate. Place the index cards, the withdrawal notices, the lost pass book forms, and the transfer forms (see below) in an envelope with one copy of the Principal's Summary. This package goes with the money to the Bank.

Transfers.

A child who has come from another school in the same town and who had a banking account in that other school should make application to his new Principal for a transfer form and should give up his old Pass Book. The Principal will make out a new index card, give the child the corresponding new Pass Book into which he has transferred the old balance and attach both the old Pass Book and the new index card to the transfer form.

Old Pass Books and Index Cards.

When these are returned by the Bank, it means that the child has drawn out all his money and that the account is closed. The old Pass Books should be kept in numerical order and the old index cards in alphabetical order for use in the event of the child wishing to re-open his account. They may be destroyed one year after the child has left school.

Interest.

The children should be told that interest will be added only to those accounts which show any balance on the 30th June. Sometimes children lose interest which might have been secured by leaving five cents to keep the account open.

On the last banking day of each month the Cash Books, instead of being returned to the teachers, are sent to the Bank in order that the total monthly deposits of each child may be posted to his account in the Ledger, and that account compared with the Pass Book Balance as it is shown in the Cash Book.

3. The Bank.

When the Bank receives a new *index card*, the particulars thereon are entered upon a new page in the school Ledger, which page must bear the same number as that upon the card, while the card itself is placed in the cabinet at the Bank as an index to the Ledger.

The *withdrawal notices* for the week should be upon the paying teller's desk before the hour set apart for withdrawals. Notices not acted upon within a month of their issue will be destroyed. These notices are not cheques and must never be treated as such. Withdrawals take place once a week during a stated hour. The Pass Book must be presented and compared with the Ledger. In doubtful cases the child should know the date of his birth as given on his page in the Ledger. The debit entry must be made at once on both the Pass Book and Ledger and the child must sign the withdrawal sheet. If the child draws out all his money, the Pass Book is retained by the Bank while the corresponding index card is removed from the cabinet and both returned to the school that issued them.

When the Bank has received a *lost pass book form* a dated entry consisting of the words "Lost Pass Book" is at once made upon the child's page in the Ledger. When a child has presented the counterfoil, the Bank will issue a *duplicate pass book*, charge the child two cents and write the words "Duplicate Pass Book" upon his page in the Ledger.

On receipt of a *transfer form*, the child's page should be procured from the Ledger of the old school, the pass book number and address changed thereon, a statement of the transfer written on the margin, and the page inserted in its proper place in the Ledger of the new school. If that place is occupied by a blank page bearing the same number, the blank must be destroyed. Also the old index card must be taken out of the cabinet of the old school and the new index card put in the cabinet of the new school. The old Pass Books should be cancelled and sent with the corresponding old index cards to the school that issued them.

At the end of each month the Ledgers should be posted from the Cash Books, posting only the monthly total of deposits for each child as in the Cash Book Column headed "Total for Month." At the same time the ledger balance should be compared with the figures in the Cash Book Column headed "Balance as it appears in Pass Book" and all discrepancies investigated. A return should be made to the Head Office of the Penny Bank, in Toronto, on the printed form supplied for such reports.

During the summer holidays the Ledgers should be sent to Head Office for a period not exceeding a fortnight, previously arranged for, in order that the interest may be computed and added to all accounts that were open on the 30th June last. This interest will be entered in each child's Pass Book the next time he presents it at the Bank.